

UTAH AIR QUALITY BOARD MEETING
May 7, 2008
168 North 1950 West, Room 101
Salt Lake City, Utah 84116

FINAL MINUTES

I. Call-to-Order

Ernie Wessman called the meeting to order at 1:31 p.m.

Board members present:

Ernest Wessman, Jim Horrocks, Nan Bunker, Kathy Van Dame, Craig Petersen, Steve Sands, Joel Elstein, Rick Sprott, Darrell Smith, and Wayne Samuelson

Excused: Stead Burwell

Executive Secretary: Cheryl Heying

II. Date of the Next Air Quality Board Meetings: June 4, 2008 and July 2, 2008.

III. Approval of the Minutes for the March 5, 2008 Board Meeting.

- Nan Bunker moved to approve the minutes of the March 5, 2008, Board meeting and working lunch session. Steve Sands seconded. The Board approved unanimously with eight members present.

IV. Election of Chair and Vice-Chair.

Mr. Wessman asked for discussion or nominations for Chairman of the Board.

- Nan Bunker nominates Ernie Wessman as Chairman. Craig Petersen seconded. The Board approved unanimously with eight members present.

Mr. Wessman asked for discussion or nominations for Vice-Chairman of the Board.

- Ernie Wessman nominates Jim Horrocks as Vice-Chairman. Nan Bunker seconded. The Board approved unanimously with eight members present.

V. Approval of Order on Petition to Intervene in the Matter of Intermountain Power Project Unit 3 Appeal. Presented by Fred Nelson.

Fred Nelson, of the Attorney General's Office and counsel to the Board, explained this draft order is prepared in regards to the Board's decision in March 2008 on a petition to intervene by the Intermountain Power Project Unit 3 Committee. The Board and all parties involved have received a copy of the order. Mr. Nelson made note of a correction to be made. On page four the second sentence down reads, "The Committee asserts that even though the Approval Order was issued in IPSC's name, IPSC is acting on behalf of

the Committee as development manager for IPP Unit 3.” The sentence needs to be changed to, “The Committee asserts that even though the Approval Order was issued in IPSC’s name, IPSC is holding the Approval Order in its name on behalf of the Committee.” Mr. Nelson asks the Board for approval of the order with the correction.

- Jim Horrocks moved to approve the order with the revision on page four. Nan Bunker seconded. The Board approved unanimously with eight members present.

Mr. Wessman inquired that since the order involved a decision made by the Board with recused members does that need to be clarified in the final language of the order. To which Mr. Nelson answered the order is fine as drafted, but that Mr. Horrocks would need to sign the final order.

Darrell Smith and Wayne Samuelson joined the Board meeting.

VI. Propose for Public Comment: Amend R307-328 Ozone Nonattainment and Maintenance Areas and Utah and Weber Counties: Gasoline Transfer and Storage, and R307-342 Ozone Nonattainment and Maintenance Areas: Qualification of Contractors and Test Procedures for Vapor Recovery Systems for Gasoline Delivery Tanks. Presented by Robert Clark.

Robert Clark, Environmental Scientist at DAQ, stated that Stage I vapor recovery systems collect vapors emitted during the transfer of gasoline from delivery trucks to storage tanks at gasoline stations. This technology has been required in Salt Lake and Davis Counties since the 1980’s and in Weber and Utah Counties since 1999. The DAQ is now proposing to extend this technology statewide.

In non-Wasatch Front counties, Stage I emissions currently account for about 85% of the total emissions from gasoline stations. It is estimated that Stage I vapor recovery technology will reduce these emissions by more than 95%. In addition to being effective in reducing volatile organic compound (VOC) emissions that directly affect ozone concentrations, Stage I vapor recovery technology also reduces emissions of hazardous air pollutants (HAP) such as benzene, a known carcinogen.

Stage I vapor control at gasoline stations along the Wasatch Front has proven to be a cost effective method to reduce VOC and HAP emissions. Based on 2005 data, it is estimated that Stage I vapor control equipment that has been installed along the Wasatch Front has prevented approximately 3,600 tons of VOC and 282 tons of HAP from entering the atmosphere annually.

The current cost to install Stage I vapor recovery at gasoline stations can be as low as \$2,200 per station with three storage tanks to as high as \$15,000 if an extraordinary amount of work is necessary to get to that storage tank. Based on 2005 data, it is estimated that expanding Stage I technology throughout the state of Utah, would prevent an additional 2,100 tons of VOC and over 160 tons of HAP from entering the atmosphere each year.

At a stakeholders meeting consisting of representatives of companies that work on underground storage tanks, government agencies, and the petroleum industry, held in January 2008, DAQ proposed to expand the use of Stage I vapor recovery technology

statewide to help control increasing concentrations of ozone. Stakeholders agreed and recommended that Stage I vapor recovery be implemented statewide and that it be phased in over a three year period.

Staff recommends adopting Stage I vapor recovery technology statewide to aid in reducing the formation of ozone. Accordingly, it is recommended that the proposed changes to R307-328 (Gasoline Transfer and Storage) and R307-342 (Qualifications of Contractors and Test Procedures for Vapor Recovery Systems for Gasoline Delivery Tanks), pertaining to the expansion of Stage I vapor recovery requirements to all counties within the state of Utah, be proposed for public comment.

Mr. Clark answered Board member questions and clarified that the formation of ozone is not only an issue along the Wasatch Front but is a concern statewide and region wide.

- Kathy Van Dame moved to approve agenda item six as written be put out for public comment. Nan Bunker seconded. The Board approved unanimously.

VII. Propose for Public Comment: Add New Rule R307-123, General Requirements: Clean Fuels and Vehicle Technology Grant and Loan Program and Amend R307-121, General Requirements: Clean Fuel Vehicle Tax Credits. Presented by Glade Sowards and Nykole Littleboy.

Nykole Littleboy, Research Analyst at DAQ, stated the Clean Fuels and Vehicle Technology Program Act establishes the Clean Fuels and Vehicle Technology Fund. This act authorizes the Air Quality Board to make rules to establish state-wide eligibility requirements for technologies qualified to be awarded grant and loan monies from the fund. DAQ staff created R307-123 to specify these requirements. As proposed, the rule defines certification criteria and proof of purchase requirements for eligible technology.

Staff also reviewed related rule R307-121 and determined that a few modifications are necessary to make it consistent with the R307-123. Specifically, staff is proposing to add the definitions of clean fuel, clean fuel vehicle, and Manufacturer's Statement of Origin to R307-121. Staff is also proposing to make other changes to the language throughout R307-121 that will ensure that it is consistent with R307-123. A revised copy of R307-121 dated April 30, 2008, was sent out for the Board review.

Staff recommends that R307-123 and R307-121 be proposed for public comment.

Glade Sowards, Environmental Scientist at DAQ, clarified this proposal affects changes with existing programs. There was legislation passed this year which affect R307-121, but that statute will not be effective until January 1, 2009, which will be presented to the Board later this year.

- Darrell Smith moved to approve propose for public comment add new rule R307-123 and amend R307-121 as written on agenda item seven. Wayne Samuelson seconded. The Board approved unanimously.

VIII. Propose for Public Comment: Amend R307-302-3 No-Burn Periods for Fine Particulate. Presented by Bryce Bird.

Bryce Bird, Branch Manager at DAQ, stated R307-302-3 establishes the triggers for calling mandatory no-burn periods for PM_{2.5}. This applies in Salt Lake and Davis Counties, and portions of Utah and Weber Counties.

On September 21, 2006, EPA promulgated revisions to the National Ambient Air Quality Standards for fine particulate matter, wherein the 24-hour PM_{2.5} standard was changed from 65 µg/m³ to 35 µg/m³. DAQ is proposing this rule change to address that change and remove the trigger from a numerical value to a forecast to where conditions are in place where the standard may be exceeded

Staff recommends that R307-302-3 be proposed for public comment.

- Jim Horrocks moved to propose for public comment amend R307-302-3 No-Burn Periods for Fine Particulate. Nan Bunker seconded. The Board approved unanimously.

IX. Informational Items.

A. Update on Revised Ozone Standard. Presented by Bryce Bird.

Mr. Bird explained that on March 12, 2008, the EPA issued and signed the revised standard for ozone. The prior standard was .080 parts per million (ppm) and the new standard was set at .075 ppm. Currently Box Elder, Tooele, Weber, Davis, Salt Lake, and Utah Counties have monitors located within the counties that have monitored values above the new standard. March 12, 2008, is the start date for the implementation schedule. DAQ's recommendations to EPA on nonattainment areas will be due on March 12, 2009; EPA will make their final designations no later than March 12, 2010; and the attainment demonstration state implementation plan (SIP) will be developed and due in 2013.

The designations will be based on the years 2006 through 2008. It is important to make this summer's voluntary programs as effective as possible in keeping ozone levels as low as possible. The Stage I vapor recovery rule going out for public comment and encouraging individuals to reduce their personal contributions are some proactive steps taken by DAQ.

Mr. Bird answered Board member questions on the revised ozone standard and explained that it was EPA's decision to set the new standard level contained in rulemaking based on studies that were done and that the final standard was above the level recommended by the Clean Air Science Advisory Committee. Also, EPA's final determination in March 2010 will be based on the years 2007 through 2009.

Mr. Bird was asked to inform the Board on the impact of the ethanol blended gasoline and also concerns about what that energy mandate may do to the volatility of fuels.

He explained that last fall the Utah Department of Agriculture and Food was approached by several petroleum refineries to allow refineries to produce the base blend for ethanol blended fuels to be marketed in Utah. Currently in Idaho, Oregon, and Washington there is a mandate for ethanol fuels. He then explained the refinery process to produce lower octane base blend. This process increases Reid Vapor Pressure (RVP) resulting in larger VOC emissions both from refueling and automobiles themselves. Current models show a large increase in VOCs, if the 1% waiver is allowed for ethanol blending. In some cases as much as 20% increase in VOCs from automobiles. There are no state rules that govern ethanol blending. EPA has established Utah's lower RVP during the summer months as part of ozone strategies implemented in the state. Any adverse effects to our ability to meet the ozone standard could be addressed by the Board in rulemaking of the SIP. Because of ozone challenges along the Wasatch Front the DAQ will be addressing these issues as part of the SIP process over the next three years. We want to make sure that we don't see an increase of ozone without stopping ethanol from coming to the state.

This is part of a federal country wide mandate to increase the availability of ethanol fuels and the marketing of ethanol fuels. It is also a mandate at the production level that companies start producing and distributing ethanol fuels. In the state of Utah there is no ethanol production and so there will be additional transportation costs in moving the ethanol here for use. There are incentives and credits to offset some of these costs. But because we will have to offset additional VOCs put in the inventory by this policy there will be additional costs in the end.

The Utah Department of Agriculture and Food is hosting a stakeholder meeting to discuss the issue on May 12th.

- B. Air Toxics. Presented by Robert Ford.**
- C. Compliance. Presented by Jay Morris and Harold Burge.**
- D. Monitoring. Presented by Bob Dalley.**

Bob Dalley updated the Board on monitoring data. Mr. Dalley explained that some red days were called in April because of blowing dust in conjunction with heavy wind events.

Meeting was adjourned at 2:10 p.m.

Minutes approved: June 4, 2008.